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Agenda item 7

REPORT OF THE AD HOC GROUP OF EXPERTS ON RISK MANAGEMENT IN COMMODITY TRADE

held at the Palais des Nations, Geneva
from 26 to 28 October 1994

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INTRODUCTION

1. The Ad Hoc Group of Experts on Risk Management in Commodity Trade held its session at the Palais des Nations, Geneva, from 26 to 28 October 1994. In the course of the session, the Group of Experts held two plenary meetings and five informal meetings.

Opening statement

2. The Officer-in-Charge of the Commodities Division of UNCTAD welcomed the experts and government representatives present and expressed the hope that the mixed format of the group would facilitate the conversion of its conclusions and recommendations into policy, at both the national and the international level. Helping developing countries to cope with commodity price volatility had been one of the main preoccupations of UNCTAD since its inception, and radical changes in recent years in the world commodity economy and financial markets clearly led to the question whether a new approach to the problem of price volatility was warranted. Such a new approach had been initiated at UNCTAD VIII in February 1992, and the current meeting of the Group of Experts was the culmination so far of the work on commodity price risk management.

3. He stressed that both issues to be discussed by the Group posed fundamental questions regarding current national and international economic policies. With respect to the first issue, national institution building, it was doubtful whether current policies placed the heaviest burden in terms of exposure to price risks on the strongest shoulders. With respect to the second issue, counterpart and sovereign risk, the Group would be considering why developing countries could not obtain access to credit for commodity-linked operations, including risk management transactions, on equal terms with developed countries, and in what ways such access could be enhanced.

4. This was a new area of work, not only for UNCTAD but for the international community as a whole. However, it was an area where the international community clearly had a role to play, in providing assistance and policy advice to governments and the private sector, and possibly also in improving conditions at international level. He expressed the hope that the new character of this work would not stop donor agencies from giving it the financial support it deserved, and rather, that it would encourage them in that direction. He stressed that the Group's session was a policy-oriented one, which should result in new policies in the foreseeable future, and he wished the participants success in their deliberations.

Chapter I

NATIONAL INSTITUTION BUILDING TO FACILITATE ACCESS TO RISK MANAGEMENT MARKETS FOR SMALL PRODUCERS AND TRADERS PARTICULARLY FROM DEVELOPING COUNTRIES AND COUNTRIES IN TRANSITION: ISSUES INVOLVED AND POSSIBLE WAYS TO OVERCOME THEM

(Agenda item 3)

5. For its consideration of this agenda item, the Group of Experts had before it the following report by the UNCTAD secretariat:

"Risk distribution after liberalization of commodity marketing and problems of access to risk management markets for developing country entities - illustrated by the example of coffee in Africa" (TD/B/CN.1/GE.1/2).

6. A number of presentations were made by experts. The first to speak was Mr. Pierre Etoa Abena, Coordinator, Special Projects, Office National du Cacao et du Café, Cameroon, who spoke on the problems created in Cameroon's coffee and cocoa sectors when the existing marketing institution was abolished without sufficient efforts to "bridge the gap" towards a new structure. Mr. Abena noted that in the late 1980s, the Government of Cameroon had launched a restructuring programme in the cocoa and coffee sectors. Many of the then existing government bodies had been abolished and commodity price stabilization policies modified. Private exporters as well as many farmers had become directly exposed to world market price volatility. However, unlike foreign-owned companies, they did not have the skills, nor the capital, to manage these risks in an effective way; three quarters of the export sector was now in the hands of foreign companies. Farmers did not have the knowledge of markets they needed to bargain effectively with traders. Since 1991, the Government had strengthened its efforts to counteract such problems, but major work still needed to be done.

7. Experts concurred with the speaker's assessment of the problem of inadequate planning of liberalization efforts, a problem which was not unique to Cameroon. This issue, in effect, came up on several occasions in the discussion, one of the experts alluding to the common practices of the World Bank and the International Monetary Fund as allowing "much of the albeit limited stabilizing and risk-reducing experience of state marketing boards to be washed away with the monopolistic bath water".

8. Mr. P.S. Siswoputranto, Executive Director, Indonesian Cocoa Association, discussed the experience of Indonesia's cocoa sector in today's trading world. The Association had found that it was essential that exporters and farmers understand the relation between the local and the export market. For this purpose, the Association organized training seminars and awareness-raising meetings, and distributed world price information on as wide a scale as possible, including by radio. This training in marketing had been found to be essential for Indonesia's cocoa sector. From Indonesia's experience, it was clear that good links among the various sectors of the cocoa market and the cocoa industry, as well as a transparent operation of the market, were essential conditions for success.

9. Mr. T. Vidyasagar, President, Indian Pepper and Spice Trade Association, and former President of the Indian Chamber of Commerce and Industry, spoke on the functioning and use of the Cochin pepper market. This market was now being used by a wide variety of Indian entities, including large farms. For exporters, it was essential to manage price risks as their margins were not very great. There were, however, a number of obstacles, in particular as concerns international usage of the market. Hence, some reforms in government policy would appear essential, in such areas as capital control and investment regulations. The Cochin exchange was interested in international cooperation, and was holding discussions with several exchanges in the Asian region, which would give pepper producers and traders in other countries access to the risk management facilities provided by the Cochin exchange. In order to make that a viable proposition, however, a supporting government framework was necessary.

10. Mr. Joseph Dial, Commissioner and Chairman of the Agricultural Committee of the Commodity Futures Trading Commission, United States of America, stated that in the United States, around six out of seven small farmers did not manage price risks, owing to their lack of knowledge or distrust of risk management markets, or the feeling that use of these markets would provide little or no benefit. To a large extent, this attitude was linked to government intervention in the agricultural market, which obviated the need for farmers to manage their price risks themselves. Although larger farmers did make much more widespread use of risk management markets, it would nevertheless appear that the agricultural sector lagged behind the financial sector in risk management. However, this situation could not last: there was a trend towards decreased

government support of agriculture, and protectionist barriers to trade were being removed. Mr. Dial recognized that even though this would not happen overnight, farmers would need to begin now the process of educating themselves in order to compete effectively and remain profitable in the decades to come.

11. Other experts supported Mr. Dial's conclusions and noted that, although his presentation focused on the situation of farmers in the United States, many farmers throughout the world had in effect already been deprived of government protection, and had thus been fully exposed to the vagaries of the world market. Hence, his recommendations to United States farmers were even more urgent for developing country producers. However, practical barriers, in particular linked to a lack of awareness and training, remained large. Experts also noted that in many cases, individual farmers in developing countries were likely to prefer using risk management markets in an indirect way, through farmers' organizations and other intermediaries such as dealers, brokers or local banks. Farmers' organizations should be targeted in training, and their efforts to provide their members with risk management systems supported, through better education and communication concerning risk management, as well as through the facilitation of the provision of transparent prices.

12. Mr. H.N. Pemhiwa, Head of Management Information Systems, Eastern and Southern African Trade and Development Bank (PTA Bank), Kenya, described the role of the PTA Bank in providing exporters in Eastern Africa with commodity options, as part of its trade financing activities. The PTA Bank had as its role the development of its member countries, and in this light, had made major steps towards enabling exporters in its countries of operation to obtain cheaper trade finance. In particular, through its structuring of trade finance operations (which included an insurance against declines in the value of collateral through "price guarantee contracts", option-related instruments) it had been able to provide exporters with finance at a rate close to that available to developed country traders. This provided short-term price stabilization to exporters, helped to improve access to market information, secured the income of exporters and ministries of finance, and reduced financing costs. The PTA Bank was undertaking major awareness-raising and training efforts in its subregion, and expected to expand its programme. Farmers' associations could be included in the future and, indeed, discussions with some groups had been initiated. The speaker also stressed the importance of warehouses as a means of securing collateral. As a development bank, the PTA Bank tried to promote the use of warehouse warrants guaranteeing good quality, a condition which would also increase the confidence of the international trading community.

13. Mr. Andreas Casco, Coordinator, General Técnico, Apoyo y Servicios a la Comercialización Agropecuaria (ASERCA), Mexico, spoke on the role played by this government agency as a risk management intermediary. The decision of Mexico's Government to intermediate in risk management operations should be seen as one of the strategies that transitional economies could rely on to facilitate market liberalization, against the background of the establishment of a transparent and comprehensive regulatory framework, a stable macroeconomic environment and long-term trade rules. In particular, the ability of farmers and processors to use options would allow them to cope with price volatility as well as with a reduction in market protection. ASERCA's efforts had not only allowed producers more security in their dealings, but had also helped to increase their bargaining position vis-à-vis traders. The ASERCA programme, although very recent, was working quite well, and had in 1994 effectively protected from the market decline those cotton farmers who had participated.

14. Mr. Sebahattin Gazanfer, Secretary-General, Exporters' Union of the Aegean Region, Turkey, discussed the state of and recent changes in cotton marketing and pricing arrangements in the world and specifically in the Near East, Central Asia and Pakistan. In particular in Central Asian countries, there had been major changes in marketing and pricing arrangements. Actors from these countries could not make extensive use of the New York Cotton Exchange for risk management

operations for a number of reasons. However, setting up a regional futures market would not be an easy process. First, one would need a sufficiently high level of development of the cash market, before moving into forward markets. Creating a viable futures market might, but not necessarily had to be, the next step.

15. Mr. Carlos Etchepare, Manager, Buenos Aires Grain Exchange, Argentina, described his market's role in the Argentine grain economy. He noted that, largely as a result of a lack of farmers' knowledge of risk management instruments, these tools were not used frequently by them. To allow a wide variety of players better access to the futures market, the Government must set the proper legal framework to let the private sector provide accurate, updated and real-time spot market information.

16. As was also underlined in another statement, the use of risk management markets required clear lines of credit and benefited from proximity to market information, both factors which argued for some form of intermediation. Experts agreed that the identity of the intermediary could differ from country to country; there was no standard approach to providing access to risk management instruments. Solutions applicable to one country might be unsuitable for others. Nevertheless, the presentations given clearly indicated the scope of possible intermediation activities. Governments and private sectors were urged to explore the various possibilities open to them, and act accordingly.

Policy recommendations of the Group of Experts

17. The Chairman derived from the discussions of the Group of Experts several policy recommendations:

(1) Owing, in part, to an inadequate appreciation of the microeconomic roles government bodies could play in commodity marketing, the liberalization of the export marketing system has in many countries left an important and costly gap in marketing services, which has not always been satisfactorily filled by the private sector - one consequence in some cases was a lack of market transparency. In many cases, there is a need to reorient government policies to fill this gap, which has been most pronounced in the areas of quality control, information (including world market prices), access to risk management markets, and institutional structures which reduce counterparty risks. Countries which have already liberalized, or which are considering liberalization of their commodity exports, as well as the development cooperation agencies supporting such liberalization efforts, are urged to give these microeconomic factors more weight when designing policies.

(2) Due account should be taken of the important role which the government plays in creating an enabling environment for using risk management instruments, in terms of trade-related infrastructure as well as the legal, regulatory and institutional policies governing commodity trade.

(3) In this time of increasing integration of the world market and ongoing reduction or elimination of farm subsidies, the producers of tomorrow will have to possess increased knowledge of and access to the full spectrum of risk management techniques if they are to be able to compete internationally. Considering the importance of agriculture for hundreds of millions of people worldwide, governments and the international community are urged to enhance the knowledge of farmers and farmers' associations in this area. This awareness creation and

training effort is a long-term one, and current efforts need to be strengthened and intensified.

(4) In most cases, farmers may not be inclined to use risk management in a direct way. Rather, their risk management operations are likely to pass through farmers' associations and other intermediaries. Governments are urged to allow farmers associations to play a full role in commodity marketing and risk management, and to provide appropriate support to these associations' efforts in these areas (including through the provision of a transparent marketing system).

(5) The presentations made on the various ways in which access to risk management markets is facilitated in a number of developing countries show that various intermediaries can be involved (such as local and international banks, brokers, government agencies, local and international exchanges), and that the optimal mix of intermediaries depends greatly on a country's conditions. The Group of Experts nevertheless commends the exchange of experience among countries on such issues, and recommends that work of this nature be continued.

Chapter II

COUNTERPART AND SOVEREIGN RISK OBSTACLES TO IMPROVED ACCESS TO RISK MANAGEMENT MARKETS: ISSUES INVOLVED, PROBLEMS AND POSSIBLE SOLUTIONS

(Agenda item 4)

18. For its consideration of this agenda item, the Group of Experts had before it the following report by the UNCTAD secretariat:

"Counterpart and sovereign risk obstacles to improved access to risk management markets: issues involved, problems and possible solutions" (TD/B/CN.1/GE.1/3 and Corr.1).

19. As in the case of agenda item 3, a number of presentations were made by experts. Theodore Giletti, Managing Director, Bankers Trust Company, London, reminded the meeting of the importance of strategic, long-term risk management; in particular for perennial crops and mineral resources, a trade-oriented risk management activity (i.e. for periods of less than one year) did little to protect investments, or for that matter, the fulfilment of company or government plans. In this respect, there were some problems, such as the local understanding gap, and political and regulatory barriers in developing countries. Another problem was that the efforts of the World Bank and IMF to dissolve marketing boards had resulted in the virtual disappearance of agricultural developing country intermediaries with which an international bank could do longer-term business. He noted that some major commodity trade finance deals, with large benefits for the countries concerned, might never have been possible if World Bank/IMF institutional policies had been adhered to. Negative pledges, part of these institutions' lending policies, were also a formidable obstacle to strategic hedging. International agencies such as the World Bank and IMF or the regional development banks could play a more positive role - for instance, IMF could create a sovereign risk insurance facility.

20. Prof. Christopher Gilbert, Department of Economics, Queen Mary and Westfield College, United Kingdom, demonstrated some of the potential benefits of improved access to commodity price risk management instruments and commodity-linked finance for developing country actors. However, he noted that country risks were an important access problem for entities from developing countries and countries in transition. What could the international community do? In his

opinion, a number of options could be considered. One concerned the local banks in developing countries. They had the necessary detailed local information to evaluate the credit risks of local producers, cooperatives and banks, and the knowledge required to enforce restitution in the case of default. However, the letters of credit that those banks could issue were, by themselves, not sufficient to provide a country's producers and others with access to the international risk management markets. So one action that might be envisaged concerned the discounting of such letters of credit by reputed international organizations. In the area of commodity investment finance, commodity bonds should also be considered: these would effectively manage financial risks, while at the same time reducing the incentive to default. If the country risk problem could be overcome, there would appear to be a ready market for such bonds. Again, the discounting of such bonds by an international organization would address this problem. These were essentially mechanisms of risk transfer, but they would reduce overall riskiness if the organizations securitizing these instruments had a comparative advantage in compelling enforcement of contract obligations; IMF and the World Bank appeared to have some advantage in this respect. It was Prof. Gilbert's opinion that the provision of guarantees on such a basis could dramatically transform the potential for many developing country primary producers to successfully manage their risks. There was a danger, however, that guarantees of this form could be very expensive.

21. Mr. Jean-Pierre Challet, Assistant Vice-President, Agricultural Division, Société Générale de Surveillance S.A., Switzerland, described the importance of a variety of conditions and services for turning a stock of commodities into viable collateral for finance and risk management operations. These conditions included the correct determination of quality and quantity of the commodities stored, as well as the way the stock was managed and supervised during the storage period. The existence of the stock needed to be insured, according to the availability of insurance cover. Moreover, the legal framework needed to provide for clear ownership rights. In all these areas, there was room for improvement, which could have clear and positive effects on access to commodity finance and the interest rates to be paid. One concrete action would be for governments to consider the promotion of private warehousing in the areas of production and the ports of boarding. Also, it would be useful if public or private organizations could undertake studies in selected countries to assess the current situation regarding warehouse warrants and set specific objectives for improving storage facilities for better collateral management and improved access to trade credit.

22. Mr. Nicholas Budd, Lawyer, Commodity Finance and Banking, White and Case, France, demonstrated precisely how governments could, through a number of legal and regulatory measures, improve their countries' risk ratings. The international trade implications of many regulations were often little understood, partly because the international community had failed to communicate relevant information in an appropriate way. A better consideration of the costs and benefits of national laws and regulations, and appropriate measures in this regard, would result in improved access to both foreign and local trade and investment credit (including for risk management operations) and reduce the effective interest rates and insurance premiums to be paid on foreign credit. The private sector was to a very large part dependent on the framework for international trade provided by its government, and governments could do much to improve this framework.

23. Mr. James Brittain, Executive Director, Investment Insurance International, Lloyds Chambers, United Kingdom, spoke on the importance of sovereign risk insurance for international commodity trade. Sovereign risk insurance allowed for risk transfer and leverage of risk, which in return allowed traders, banks and others to take risks, or larger risks, in countries which otherwise would have proven unacceptable; it also helped trading firms to satisfy the prudential requirements of their banks. If insurance cover was not available, or too

costly, international commodity trade could be severely handicapped. There were several factors that influenced country risk assessments, and hence the availability of insurance as well as the rates to be paid. Both country and contract characteristics were factors of influence and, in particular in the first respect, governments could do much to reduce their countries' costs of international trade. One aspect, among others, was that governments should increase their knowledge and understanding of the insurance aspects of international trade, and act to improve their image in the eyes of insurance underwriters.

24. Mr. John K. Burns, Managing Director (Derivatives), Barclays Bank plc Metals Group, United Kingdom, discussed how the international community, in cooperation with national authorities and the private sector, could most efficiently allow for the creation of a fiduciary entity that would then allow the country itself at minimal capital cost to create a basic commercial framework. This framework, supported by the entity, would permit the management and in some respects elimination, for certain international and domestic trade sectors, of the uncertainties which characterized many countries. Such an entity, which could be called the "World Commodity Bank", could only function if an international entity such as the World Bank provided insurance against sovereign risks, but once functioning, would allow a country's government and private sector access to commodity finance and risk management on terms equal to those enjoyed by developed country entities. Such an entity, once established, could be self-supporting, and would attract capital to the country through a variety of means. One effect would be that much of the value added of commodities, which so far had escaped the producing countries, could be kept in the country.

25. There was wide agreement in the Group of Experts on the large benefits that commodity-producing countries could derive from improving their local legal, regulatory and policy framework with respect to the use of commodities as collateral for commodity finance and risk management. This was considered a priority area of work, and one which should be taken up by national governments with support from the international community. Further work in the area of commodity price risk management should focus on policy makers, in particular from central banks and ministries of finance, who could implement the practical policies that would allow the private sector to manage their risks to the extent possible.

26. It was, however, also noted that although risk management was a very viable concept in a large number of well-functioning commodity markets (and in these markets, every effort should be made to allow entities to access their relevant risk management markets), there were other, in particular agricultural, markets where the current situation was highly unsatisfactory. Therefore, the focus of the international community should not be exclusively on the area of commodity price risk management, but should also encompass structural measures to improve the functioning of those markets which currently operated in an unsatisfactory manner.

27. Prof. Ron Duncan, Executive Director, National Centre for Development Studies, Research School of Pacific and Asian Studies, Australian National University (and formerly Chief of the World Bank's International Trade Division) addressed the need for and the potential role of a new international sovereign risk insurance facility for facilitating access to commodity risk management markets. He noted that volatility in external prices was one of the reasons for the lack of stable and growth-oriented policies in many commodity-dependent countries: commodity price instability thus had huge social costs. The international commodity agreements, IMF's compensatory finance facilities and the European Union's STABEX facility all aimed at stabilizing prices or making up commodity shortfalls, with the aim of cushioning price shocks. For various reasons, those arrangements had been ineffectual. Allowing commodity-dependent countries to use risk management markets would be much more effective, but to

allow this, IMF and the World Bank had to become directly involved. So far, IMF, the World Bank and regional development banks had not understood the risk management aspects of policy reform. In many ways, their policies worked against their borrowing countries: negative pledge covenants and the forced abolition of agencies which could enter into risk management arrangements both operated in this direction.

28. Prof. Duncan concluded that the multilateral agencies had a responsibility to compensate for their actions which had taken away a country's ability to offer collateral to hedge sovereign risk. There could not be insistence on liberalization and at the same time a refusal to assist the new private sector in gaining access to risk management facilities. In his view, IMF should take the primary responsibility for insuring against sovereign risks. This insurance facility should be basically concerned with the countries with the poorest sovereign risk position, and thus there had to be a subsidy element. He estimated that there could be few uses for IDA funds more beneficial than funds directly devoted to improving countries' sovereign risk ratings. In parallel, the World Bank should scrap its negative pledge clauses. Also, it should expand its technical advice, and project-type assistance such as setting up appropriate warehousing arrangements.

29. Although there was wide agreement in the Group of Experts on the preferability of abolishing or strongly modifying the World Bank's negative pledge clauses (and similar clauses operated by other multinational banks), not all speakers agreed with Prof. Duncan's proposal to introduce a new sovereign risk facility within IMF. Several objections were mentioned, including (a) the fact that, implicitly, such a scheme would unfairly subsidize least developed countries; (b) the "moral hazard" problem, that countries and companies were more likely to default when insurance existed; and (c) the political link between such a facility and IMF's leverage over countries. Others noted that these were indeed problems, but not obstacles, and they might be overcome through careful design of the facility, and by giving proper consideration to the functioning of the organization providing it. It was also noted that with any supranational scheme, one should carefully consider who the ultimate beneficiaries would be.

Policy recommendations of the Group of Experts

30. The Chairman derived from the discussions of the Group of Experts several policy recommendations:

(1) When access to credit for developing countries, including risk management transactions, is to be improved, actions which improve the use that can be made of physical commodities as collateral for loans are pivotal. There are a number of actions at the national and international level which could effectively help developing country entities, and such entities from countries in transition, to gain access to credit on conditions similar to those presently enjoyed by similar entities from developed countries. One priority area would be at the national level. In a large number of countries, there is a clear need to improve the legal, regulatory and policy framework surrounding international commodity trade, including regulations relating to export licences, exchange controls and title documents such as warehouse receipts. In addition, it is essential that local exchange controls permit the use of appropriate risk management tools by eligible local institutions.

(2) The international community can help developing country entities (and such entities from countries in transition) to gain access to commodity finance and risk management markets by providing direct support to training and awareness-raising on the relationship between

national regulations and policies on the one hand, and access to commodity finance and risk management markets on the other.

(3) Further work is needed on the question of how the international community can help in other ways. The experience of the International Finance Corporation in intermediating risk management transactions is noted with interest. In particular the aspect of how the international community can best provide incentives to the private sectors and governments of developing countries and countries in transition to bring their countries' basic physical, financial and legal structure into line with the requirements of international trade and help to reduce counterpart and sovereign risk would still appear to require further analysis. The UNCTAD secretariat, in cooperation with the World Bank and other interested institutions, as well as private companies, is requested to study this issue in more detail.

Chapter III

ORGANIZATIONAL MATTERS

A. Opening of the session

31. The session of the Ad Hoc Working Group of Experts on Risk Management in Commodity Trade was opened on 26 October 1994 by Mr. J. Cuddy, Officer-in-Charge of the Commodities Division of UNCTAD.

B. Election of officers

(Agenda item 1)

32. At its 1st meeting, on 26 October 1994, the Group of Experts elected the following officers to serve on its Bureau:

Chairman:	Mr. Msuya Waldi Mangachi, Minister Counsellor of the Permanent Mission of the United Republic of Tanzania;
Vice-Chairman-cum-Rapporteur:	Mr. José Luis Perez Gabilondo, Counsellor of the Permanent Mission of the Republic of Argentina.

C. Adoption of the agenda and organization of work

(Agenda item 2)

33. At the same meeting, the Group of Experts adopted the provisional agenda set forth in section I of TD/B/CN.1/GE.1/1. Accordingly, the agenda for the session was as follows:

1. Election of officers

2. Adoption of the agenda and organization of work

3. National institution building to facilitate access to risk management markets for small producers and traders particularly from developing countries and countries in transition: issues involved and possible ways to overcome them

4. Counterpart and sovereign risk obstacles to improved access to risk management markets: issues involved, problems and possible solutions

5. Other business

6. Adoption of the report of the Ad Hoc Group of Experts to the Standing Committee on Commodities.

34. At its opening plenary meeting, the Group of Experts agreed to pursue the discussion of agenda items 3 and 4 in informal meetings.

35. The representative of France protested strongly at the extremely late distribution of the basic documents, some language versions of which had not even been available for the opening of the session. This severely handicapped the preparations of many delegations and violated one of the basic principles of the United Nations, namely, the equality of the official languages, which was a precondition for transparency. He requested the Officer-in-Charge of UNCTAD to make the utmost effort to ensure that the situation would not recur in the future. The representative of Argentina endorsed that statement.

D. Adoption of the report of the Ad Hoc Group of Experts to the Standing Committee on Commodities

(Agenda item 6)

36. At its 2nd (closing) meeting, on 28 October 1994, the Group of Experts adopted, with certain amendments, the draft report (TD/B/CN.1/GE.1/L.1), the summary of its deliberations on agenda items 3 and 4, and the Group's policy recommendations, and authorized the Rapporteur to complete the final report as appropriate.

Annex

ATTENDANCE*

1. The following States members of UNCTAD were represented at the session:

Algeria
Argentina
Canada
China
Colombia
Democratic People's Republic of Korea
Ecuador
France
Germany
Hungary
India
Libyan Arab Jamahiriya
Madagascar
Malaysia
Mexico
Norway
Philippines
Qatar
Republic of Korea
Spain
Switzerland
Thailand
Tunisia
Turkey
United Kingdom of Great Britain and Northern Ireland
United Republic of Tanzania
Zambia

2. The Economic Commission for Africa was represented at the session.

The International Trade Centre UNCTAD/GATT was also represented at the session.

3. The following specialized and related agencies were represented at the session:

Food and Agriculture Organization of the United Nations
World Bank
International Monetary Fund
United Nations Industrial Development Organization

The General Agreement on Tariffs and Trade was also represented at the session.

4. The following intergovernmental organizations were represented at the session:

African, Caribbean and Pacific Group of States
Common Fund for Commodities
League of Arab States

5. The following non-governmental organization was represented at the session:

General Category

World Federation of United Nations Associations.

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* For the list of participants, see TD/B/CN.1/GE.1/INF.1.

List of experts invited by the Secretary-General of UNCTAD

Mr. James Brittain	Executive Director, Investment Insurance International, Lloyds Chambers, London, United Kingdom
Mr. Nicholas Budd	Lawyer (Commodity Finance and Banking), White and Case, Paris, France
Mr. John K. Burns	Managing Director (Derivatives), Barclays Bank plc Metals Group, London, United Kingdom
Mr. Eric Busaasi	Principal Marketing Officer, Coffee Marketing Board, Kampala, Uganda
Mr. Andreas Casco	Coordinator, General Técnico, Apoyo y Servicios a la Comercialización Agropecuaria, Mexico City, Mexico
Mr. Jean-Pierre Challet	Assistant Vice-President, Agricultural Division, Société Générale de Surveillance S.A., Geneva, Switzerland
Mr. Jean-Jacques Delori	Vice-President, JP Morgan Securities Ltd., London, United Kingdom
Mr. Joseph B. Dial	Commissioner, Commodity Futures Trading Commission, Washington, D.C., United States of America
Mr. Ron Duncan	Executive Director, National Centre for Development Studies, Research School of Pacific and Asian Studies, Australian National University, Canberra, Australia
Mr. Carlos Etchepare	Manager, Buenos Aires Grain Exchange and Secretary, Panamerican Association of Commodity Exchanges, Buenos Aires, Argentina
Mr. Pierre Etoa Abena	Coordinator, Special Projects, Office National du Cacao et du Café, Douala, Cameroon
Mr. Sebahattin Gazanfer	Secretary-General, Exporters' Union of the Aegean Region, Izmir, Turkey
Mr. Christopher Gilbert	Professor, Department of Economics, Queen Mary and Westfield College, London, United Kingdom
Mr. Theodore J. Giletti	Managing Director, Bankers Trust Company, London, United Kingdom
Mr. J. Hans Murmann	Managing Director, Metallgesellschaft, London, United Kingdom
Ms. Iris Nocedo	Deputy Director, Cubazucar, Havana, Cuba
Mr. John O'Connell	Vice-President and Research Manager International Commodities, REFCO, New York, United States of America

Mr. H.N. Pemhiwa	Head of Management Information Systems, Eastern and Southern African Trade and Development Bank (PTA Bank), Nairobi, Kenya
Mr. Rashid Pertev	Development Programme Officer, International Federation of Agricultural Producers, Paris, France
Mr. Theophilos Priovolos	Managing Director, ISKA Investments S.A., Geneva, Switzerland
Mr. Anthony Rucker	Executive Director, London Commodity Exchange, London, United Kingdom
Mr. Mark Seetin	Vice-President, Government Affairs, New York Mercantile Exchange, Washington, D.C., United States of America
Mr. P.S. Siswoputranto	Executive Director, Indonesian Cocoa Association and Adviser, Indonesian Chamber of Commerce and Industry, Jakarta, Indonesia
Mr. André Soumah	Managing Director, Commodity Price Risk Management S.A., Geneva, Switzerland
Mr. Albert Stockell	Marketing Manager, Minerals Division, Société Générale de Surveillance S.A., Geneva, Switzerland
Mr. Panos Varangis	Economist, International Trade Division, World Bank, Washington, D.C., United States of America
Mr. T. Vidyasagar	President, Pepper and Spice Trade Association, Vice-Chairman, Spices Board and Member, Managing Committee, Indian Chamber of Commerce and Industry, Cochin, India